Medicare Part D Medication Therapy Management (MTM) Programs
2009 Fact Sheet

Updated: July 21, 2009

OVERVIEW

The purpose of this Fact Sheet is to provide a summary of the contract year (CY) 2009 Medication Therapy Management Programs (MTMP) under Medicare Part D. The characteristics of current programs will be compared to programs in place since 2006. Enhanced requirements for Medication Therapy Management (MTM) Programs in 2010 are not addressed in this paper.

BACKGROUND

The Medicare Modernization Act of 2003 (MMA) under title 42 CFR Part 423, Subpart D, establishes the requirements that Part D sponsors must meet with regard to cost control and quality improvement including requirements for MTMPs.

Under section 423.153(d), a Medicare Part D sponsor must establish a MTMP that:

- Is designed to ensure that covered Part D drugs prescribed to targeted beneficiaries are appropriately used to optimize therapeutic outcomes through improved medication use;
- Is designed to reduce the risk of adverse events, including adverse drug interactions, for targeted beneficiaries;
- Is developed in cooperation with licensed and practicing pharmacists and physicians,
- May be furnished by pharmacists or other qualified providers;
- May distinguish between services in ambulatory and institutional settings;
- Describes the resources and time required to implement the program if using outside personnel and establishes the fees for pharmacists or others.

These requirements do not apply to MA Private Fee for Service (MA-PFFS) organizations, as described in 42 CFR §422.4 (a)(3). However, considering MA-PFFS organizations have an equal responsibility to provide a quality Part D product, CMS encourages MA-PFFS organizations to establish a MTMP for Medicare beneficiaries.

Targeted beneficiaries for the MTMP as described in § 423.153(d)(1) are enrollees in the sponsor's Part D plan who—

1. Have multiple chronic diseases; and
2. Are taking multiple Part D drugs; and
3. Are likely to incur annual costs for covered Part D drugs that exceed a predetermined level as specified by the Secretary (initial cost threshold of $4,000 established).

The MMA provided a number of examples of multiple chronic conditions that could be targeted for MTMP, including diabetes, asthma, hypertension, hyperlipidemia, and congestive heart failure. Part D sponsors have significant flexibility however, in determining which targeted populations are appropriate for MTM. Sponsors also have flexibility to determine other components of their MTMP including method of enrollment, interventions, provider of MTM services, and outcomes.

Annually in April, sponsors submit a MTMP description for CMS to review and approve for the next contract year, as this approval is required for all MTMPs. Additionally, to promote evolving MTM best practices and to consider the best interests of the Medicare beneficiary, CMS allows certain mid-year positive changes to the Part D sponsors' approved MTMP. Part D sponsors may request changes for approval during specified update windows.

REVIEW OF 2009 MEDICATION THERAPY MANAGEMENT PROGRAMS

There are 736 active Part D contracts with an approved MTMP in CY 2009 including 640 Medicare Advantage prescription drug plans (MA-PDs) and 96 prescription drug plans (PDPs). Employer MTM programs have been included in the statistics for PDPs. This analysis includes characteristics of 2009 MTMP applications approved during the Annual Review and changes approved during the March and June update windows as of July 21, 2009.

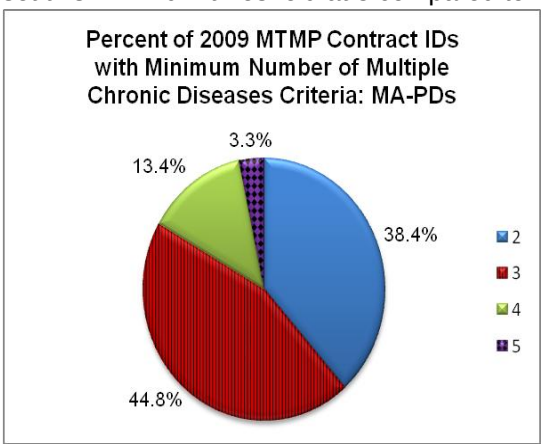
CHARACTERISTICS OF MTM PROGRAMS FOR 2009

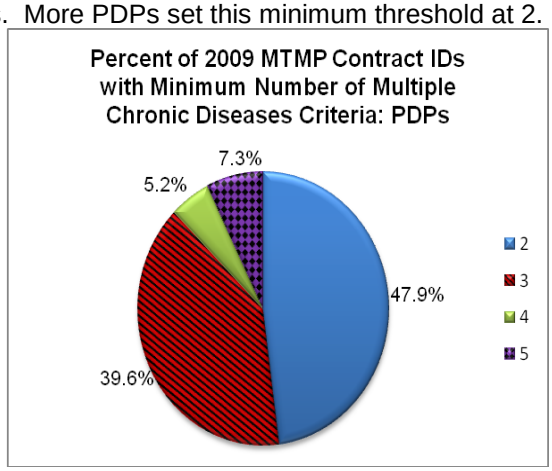
Eligibility Criteria

Multiple Chronic Diseases
Sponsors are required to target beneficiaries with multiple chronic diseases, and they define the minimum threshold for eligibility into their MTMP. Consistently since 2006, sponsors have set this minimum threshold ranging from two to five. The percent of programs by the minimum number of multiple chronic diseases that they target is shown in the table below. Most programs (approximately 84% in 2009) continue to require either a minimum of two or three chronic diseases.

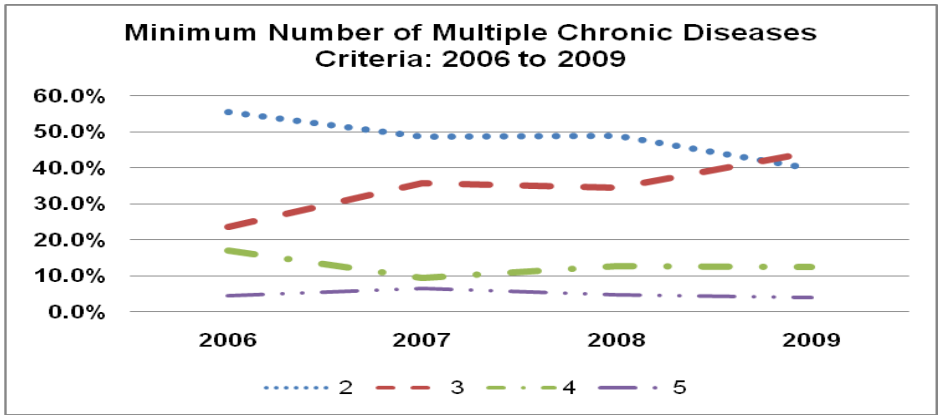
Minimum Number of Multiple Chronic Diseases	# of Programs	% of Programs
2	292	39.7%
3	325	44.2%
4	91	12.4%
5	28	3.8%
Total	**736**	**100.0%**

When examining this targeting criterion by MA-PDs and PDPs, 83.3% of MA-PDs and 87.5% of PDPs target beneficiaries with either a minimum of two or three chronic diseases. More MA-PDs set this minimum threshold at 3 compared to PDPs. More PDPs set this minimum threshold at 2.



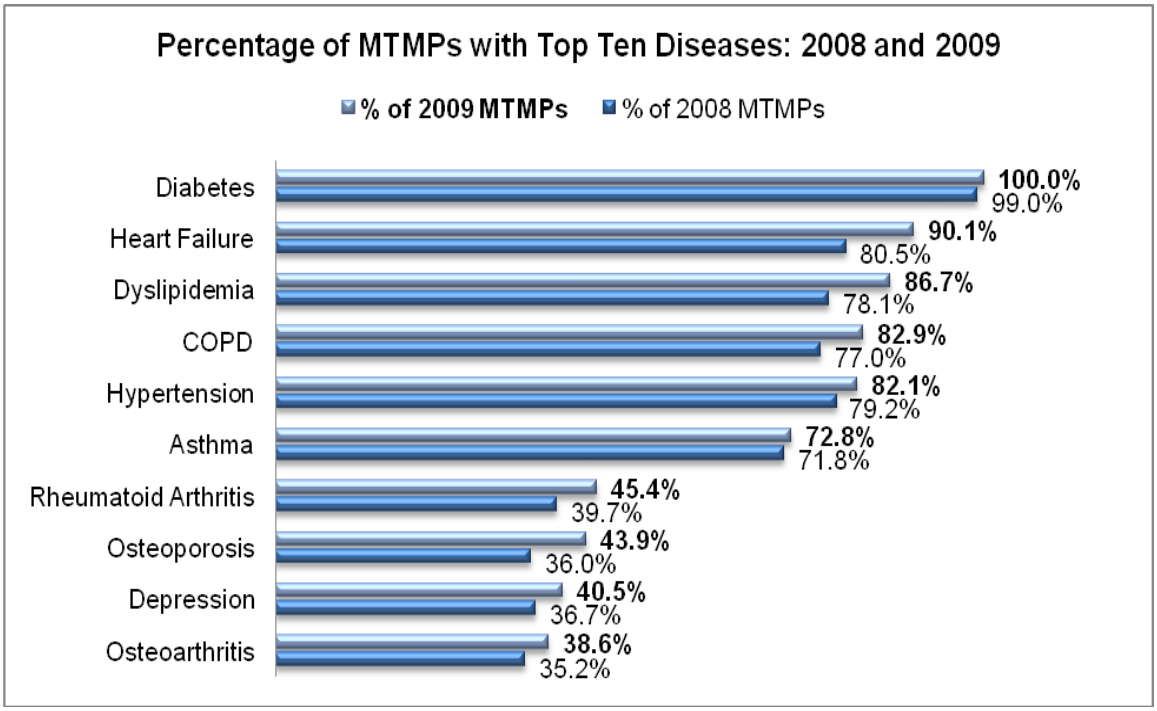


The chart below shows the trending since 2006. There was little change from 2008 to 2009 in the percent of programs that defined the minimum number of chronic diseases for MTM eligibility at 4 or 5. There was, however, convergence in the number of programs that set this threshold at 2 or 3.



Furthermore, in defining multiple chronic diseases, sponsors indicate if they target any chronic disease (85.3% of 2009 programs) or if they target specific chronic diseases (14.7% of programs) for eligibility in the MTMP. Therefore, there was an increase in the percent of programs that targeted specific chronic diseases; in 2007 and 2008, this represented approximately 10% of programs. A higher share of PDP MTMPs target any chronic diseases (90.6%) compared to MA-PD MTMPs (84.5%).

The most frequently targeted diseases in 2009 are the same top diseases as in 2007 and 2008, however, the order of these diseases differ slightly. The graph below provides the percentage of MTMPs for 2008 and 2009 that indicate these top ten diseases for their targeting criteria.

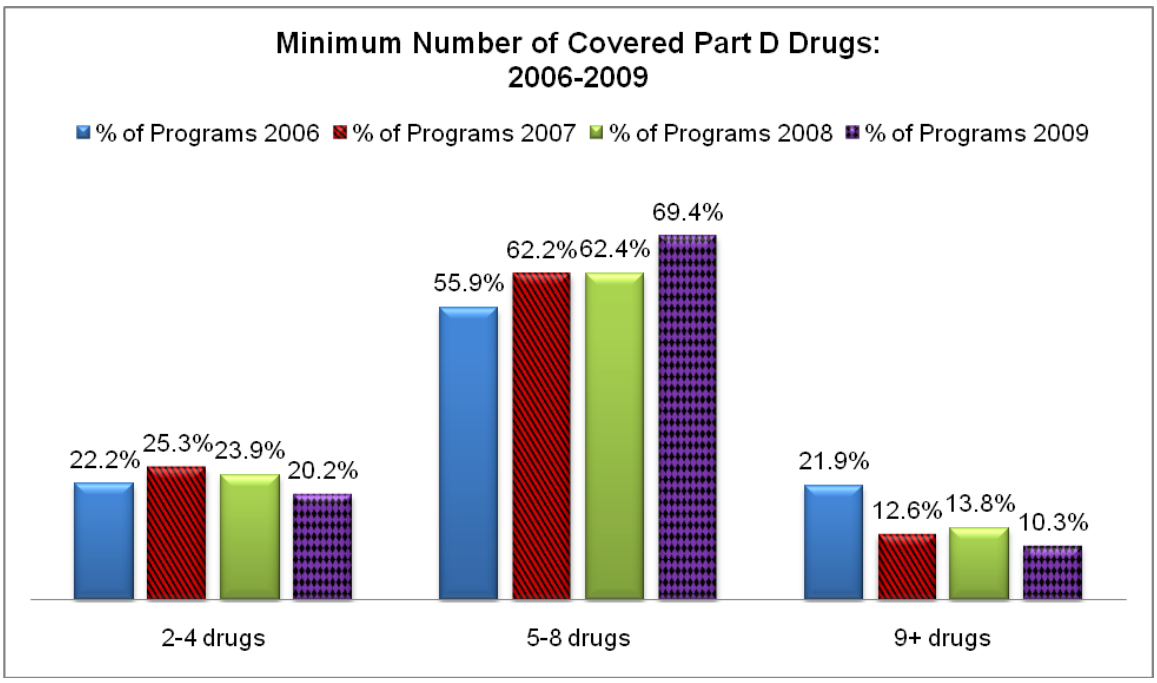


Multiple Covered Part D Drugs

The second MTMP targeting criterion requires a beneficiary to be taking multiple covered Part D drugs. Each program must indicate the minimum number of covered Part D drugs a beneficiary must have filled for MTMP eligibility. This is represented in the table below. The percent of programs indicating the respective minimum number of covered Part D drugs is provided in aggregate and broken out by MA-PD and PDP MTMPs. The range of the minimum number of multiple Part D drugs indicated for 2009 MTMPs is two to fifteen. The largest differences in the minimum number of covered Part D drugs indicated by MA-PDs and PDPs were observed for criteria of 5 and 8 which are bolded in the table below. In 2009, almost 90% of MTM programs target beneficiaries with a minimum threshold of 8 or fewer Part D drugs.

	All MTM Programs		MA-PDs	PDPs
Minimum Number of Covered Part D Drugs	**# of Programs**	**% of Programs**	**% of Programs**	**% of Programs**
2	43	5.8%	5.5%	8.3%
3	62	8.4%	8.3%	9.4%
4	44	6.0%	5.5%	9.4%
5	134	18.2%	**17.2%**	**25.0%**
6	105	14.3%	14.8%	10.4%
7	62	8.4%	8.3%	9.4%
8	210	28.5%	**30.5%**	**15.6%**
9	26	3.5%	3.6%	3.1%
10	42	5.7%	5.3%	8.3%
12	6	0.8%	0.8%	1.0%
15	2	0.3%	0.3%	0.0%

The minimum number of multiple Part D drugs in 2006 and 2007 ranged from two to 23, while in 2008 and 2009, the range has been two to fifteen. Most MTM programs require a minimum of five to eight drugs in all four years as shown in the graph below and the percent requiring a minimum greater than 8 has been declining year over year.



Sponsors also indicate if any Part D drug applies, if chronic/ maintenance drugs apply, if disease-specific drugs apply related to the chronic diseases, or if specific Part D drug classes apply. Almost half (44.6%) of all 2009 programs allow any Part D drug to qualify for this requirement, while the remaining require Part D drugs for chronic conditions (27.4%), disease specific drugs related to chronic conditions (11.7%) and specific Part D drug classes (16.3%). A higher share of PDP MTMPs target any Part D drug (47.9%) compared to MA-PD MTMPs (44.1%), whereas a higher share of MA-PD MTMPs target specific Part D drug classes (17.2%) compared to PDP MTMPs (10.4%).

Likely to Incur $4,000
A beneficiary must also be likely to incur an annual cost of at least $4,000 for all covered Part D drugs. The sponsor must provide a description of the analytical procedure used when determining if a beneficiary is likely to incur this annual cost threshold for 2009. Program descriptions showed a variation in costing methodology. Consistent with MTMPs in place since 2006, a number used proprietary algorithms and predictive modeling to make this determination, but the majority of analyses are based on thresholds of $333 monthly or $1,000 quarterly.

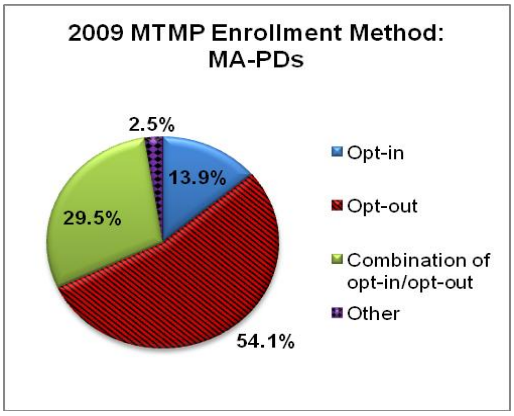
Method of Enrollment
The Part D sponsors designed their MTMP method of enrollment as opt-in, opt-out, combination of opt-in and opt-out, or other.

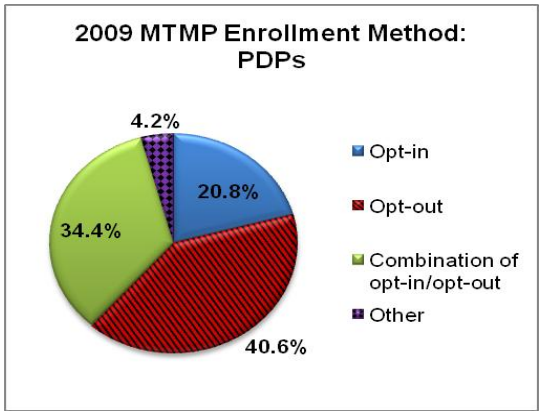
Possible definitions are:
Opt-In: A beneficiary that meets the eligibility criteria must actively choose to participate by mailing acceptance in to the program, calling a number to enroll, etc.
Opt-out: A beneficiary that meets the eligibility criteria is auto-enrolled and is considered to be participating unless he/she declines to participate.
Combination of opt-in and opt-out: A hybrid method of enrollment. A Part D sponsor may vary the method of enrollment by beneficiary setting, intervention, etc.

The table below represents the method of enrollment in aggregate for all active contracts with an MTMP for 2009. Most sponsors are enrolling MTMP participants using either a hybrid method of enrollment (30.2%) or an opt-out method of enrollment (52.3%). Fewer than 15% of MTM programs in 2009 implemented an opt-in method of enrollment.

Enrollment Method	# of Programs	% of Programs
Opt-in	109	14.8%
Opt-out	385	52.3%
Combination of opt-in/opt-out	222	30.2%
Other	20	2.7%
Total	**736**	**100.0%**

The breakout for the methods of enrollment for MA-PDs versus PDPs is shown in the charts below.



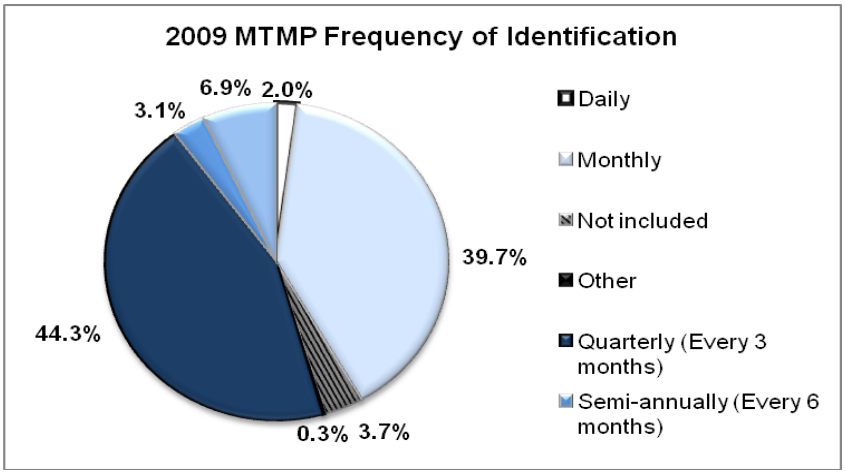


Although slightly different categorizations have been used in noting the methods of enrollment from 2006 to 2009, there is a shift in the percent of MTMPs with an opt-in method of enrollment to a hybrid or opt-out method of enrollment from 2006 to present. There is an increase in the percent of MTMPs with an opt-out method of enrollment compared to 2008.

	% of Programs			
Enrollment Method	**2006**	**2007**	**2008**	**2009**
Opt-in	51.0%	19.1%	14.6%	14.8%
Opt-out	31.8%	33.6%	39.5%	52.3%
Both	N/A	47.3%	45.4%	30.2%
Not Specified	17.2%	N/A	N/A	N/A
Other	N/A	N/A	0.6%	2.7%

Frequency of Identification

Consistent with MTMPs since 2006, most MTM programs (almost 95% in 2009) are already identifying targeted beneficiaries at least quarterly. A majority of 2009 programs run their targeting algorithms on a monthly (39.7% of 2009 MTMPs) or quarterly basis (44.3% of 2009 MTMPs) as shown below.



Interventions

A program may be designed to include any type or combination of MTM interventions. The MTM requirements allow a Part D sponsor to distinguish between services in ambulatory and institutional settings. The sponsors indicate who received interventions: the targeted beneficiary and/ or their provider.

The table below represents the recipients of MTM interventions for the 2009 MTMPs. Almost 96% are offering MTM interventions to both the beneficiary and the beneficiary's provider(s). Only 2.4% of MTMPs in 2009 are offering interventions solely to the beneficiary.

Intervention Recipient	# of Programs	% of Programs
Beneficiary Only	18	2.4%
Provider Only	12	1.6%
Combination of Above	706	95.9%
Total	736	100.0%

There are no notable differences in the distribution of intervention recipients when comparing MA-PDs and PDPs.

Since its inception, Part D sponsors have the flexibility to develop and implement MTMPs that can best meet the needs of their specific patient populations and therefore, achieve the best therapeutic outcomes. Sponsors can provide MTMP services face-to-face, via the phone, via mail, via email, and any combination of these. A lot of variation remains in the programs that are in place in 2009, and they span a range of services from simple to complex.

The ten most common MTM interventions reported by the Part D sponsors for 2009 MTMPs are:

- Medication review
- Phone outreach
- Face-to-face interaction
- Refill reminders
- Intervention letter
- Educational newsletters
- Prescriber consultation
- Drug interaction screening
- Case management
- Medication profile or list

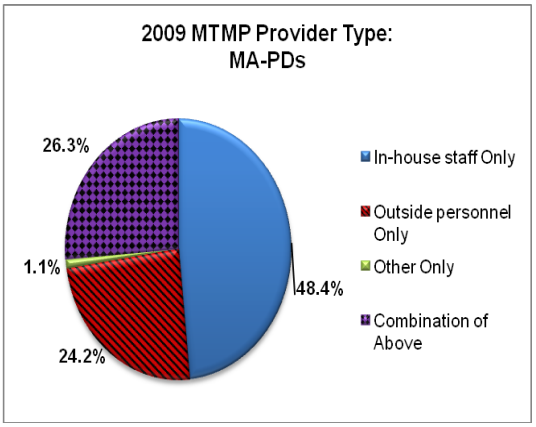
Provider of MTM Services

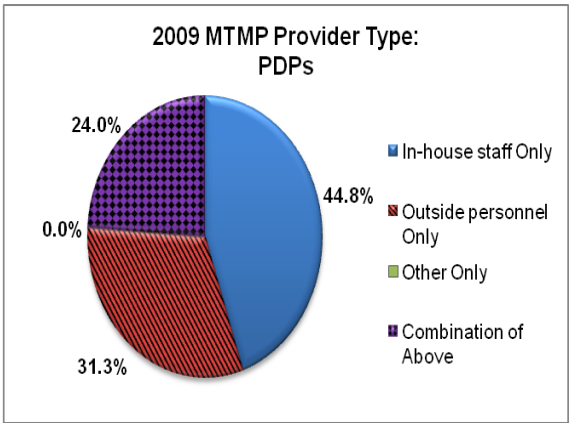
MTMP is considered an administrative cost (component of the plan bid) by CMS. Part D Sponsors are required to explain how their fees account for the time and resources associated with their MTMP. They have the flexibility to determine the billing mechanisms and established fees for pharmacists and other qualified providers associated with providing MTMP. These arrangements are between the Part D sponsors and the providers of MTM services.

Sponsors can utilize internal and/ or outside personnel to provide their MTM services. Outside personnel may include a PBM, MTM vendor, disease management vendor, community pharmacists, long term care (LTC) pharmacists or others. The table below represents the provider of MTM services for the 2009 MTMPs. Almost half (48.0%) only utilized their in-house staff to provide MTM services.

Provider Type	# of Programs	% of Programs
In-house staff Only	353	48.0%
Outside personnel Only	185	25.1%
Other Only	7	1.0%
Combination of Above	191	26.0%
Total	**736**	**100.0%**

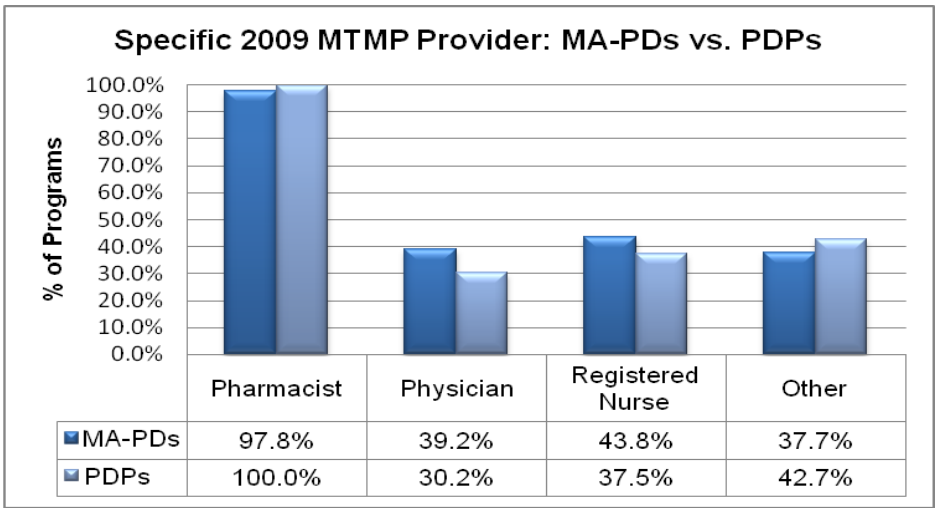
The charts below represent the breakdown in MTM provider types by MA-PDs and PDPs for the 2009 MTMPs.





Per the MTM requirements, MTM services may be furnished by pharmacists or other qualified providers. Sponsors indicate that they will utilize pharmacists, physicians, registered nurses, and/ or others. These are not mutually exclusive, and sponsors may utilize any single type of qualified provider or any combination of providers.

Pharmacists continue to be the leading provider of MTM services. Overall, regardless of whether the sponsor was utilizing in-house and/ or outside personnel, 98.1% of MTMPs in 2009 are utilizing pharmacists to provide their MTM services. Physicians are utilized in 38.0% of MTMPs, registered nurses are utilized in 42.9% MTMPs, and other providers are utilized in 38.3% of MTMPs in 2009. The graph below provides this breakdown for MA-PDs and PDPs.



	Pharmacist	Physician	Registered Nurse	Other
MA-PDs	97.8%	39.2%	43.8%	37.7%
PDPs	100.0%	30.2%	37.5%	42.7%

When sponsors utilize in-house staff, 98.5% of these MTMPs utilize pharmacist(s), 46.3% utilize physician(s), 50.0% utilize registered nurse(s), and 38.1% utilize other providers. Again, these are not mutually exclusive.

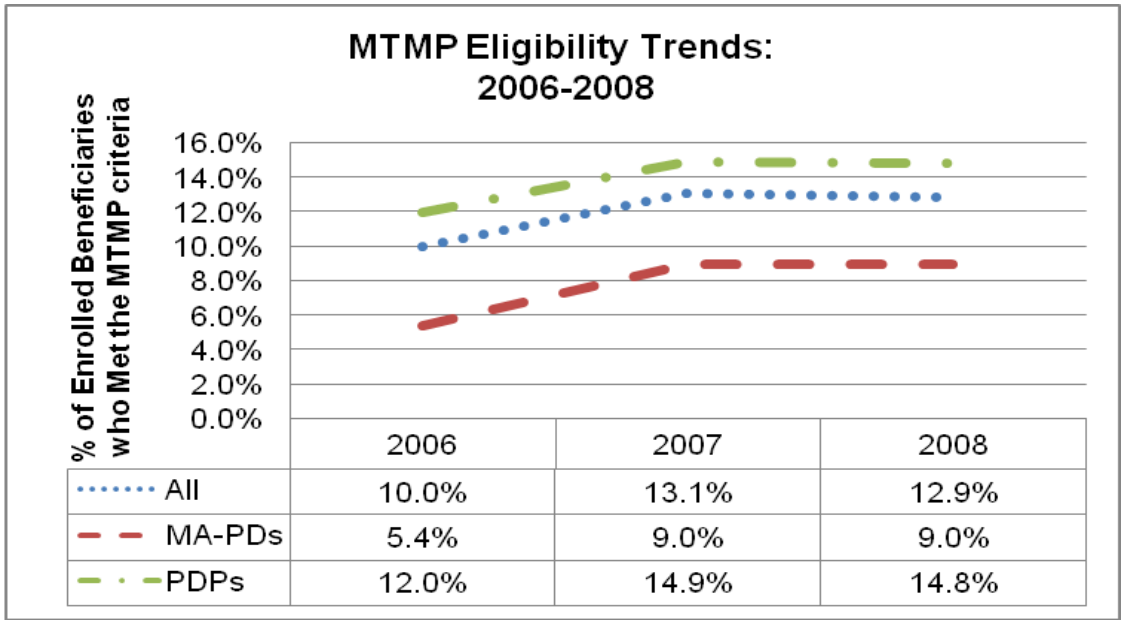
Some sponsors that indicate they are using outside personnel resources for their 2009 MTMPs such as a Pharmacy Benefits Management (PBM) company, a disease management vendor, a MTM vendor, community pharmacists, and/ or LTC pharmacists. Sponsors may utilize any combination of outside personnel. Additionally, when sponsors used a PBM, disease management vendor, or MTM vendor, they indicate the specific provider(s) they are utilizing (pharmacist, physician, registered nurse, and/ or other provider).

Of the programs that utilize outside personnel, 59.7% utilize a PBM (29.3% of all MTMPs), 6.1% utilize a disease management vendor (3.0% of all MTMPs), 19.3% utilize a medication therapy management vendor (9.5% of all MTMPs), 44.5% utilize community pharmacists (21.9% of all MTMPs), 36.5% utilize LTC pharmacists (17.9% of all MTMPs), and 9.1% utilize other outside personnel (4.5% of all MTMPs).

This level of detail was not consistently provided in MTMP submissions for 2006 and 2007. Therefore, these statistics cannot be accurately trended or compared. However, the percent of MTMPs utilizing community pharmacists doubled from 2007 (10.1%) to 2008 (20.9%). There is a slight increase in the percent of MTMPs utilizing community pharmacists in 2009 (21.9%). This represents almost half (44.5%) of the 2009 MTMPs that utilize outside personnel.

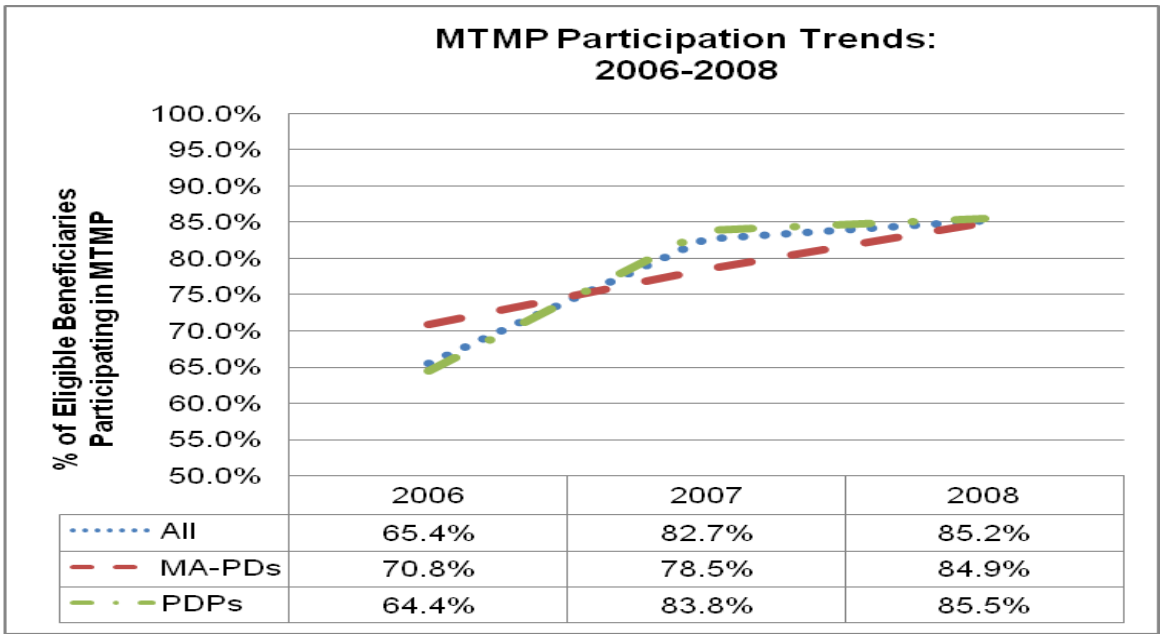
Outcomes

For monitoring purposes, Part D Sponsors are responsible for reporting several data elements to CMS per the Part D Reporting Requirements. The graph below provides trends from 2006 to 2008 for the percent of Part D beneficiaries enrolled in Plans with an MTMP that met the Plan's designated MTMP criteria. An increase was observed between 2006 and 2007, but these figures have leveled off between 2007 and 2008. Approximately 13% of beneficiaries enrolled in Plans with an MTMP met the Plan's designated MTMP criteria. All values shown are weighted means. Plan-reported data for 2009 are due to CMS in February 2010.



	2006	2007	2008
All	10.0%	13.1%	12.9%
MA-PDs	5.4%	9.0%	9.0%
PDPs	12.0%	14.9%	14.8%

The next figure shows a steady increase from 2006 to 2008 in the percent of eligible beneficiaries who are participating in MTMPs for all programs and MA-PD and PDP programs.



	2006	2007	2008
All	65.4%	82.7%	85.2%
MA-PDs	70.8%	78.5%	84.9%
PDPs	64.4%	83.8%	85.5%

Sponsors are expected to analyze and evaluate their MTM programs and make changes to continuously improve their programs. Sponsors continue to measure a broad spectrum of outcomes including process, economic, and quality measures. An MTM Monitoring contract was awarded through 2010 to assist CMS in monitoring and evaluating Part D sponsors' MTM programs. These efforts, along with the efforts of the Pharmacy Quality Alliance (PQA) and other industry stakeholders may also assist CMS in identifying additional standardized measures that could be measured or reported by all Part D sponsors.

In the future, sponsors may be required to measure program process, output and/or outcomes in the following areas:

- Drug utilization (e.g., drug interactions, polypharmacy, and adverse drug events)
- Beneficiary health (e.g., clinical indicators and medical utilization)
- Financial impact (e.g., pharmacy cost and medical cost change)
- Customer satisfaction (e.g., usefulness of information provided)

SUMMARY

Variation among the MTMPs and differences between MA-PD and PDP MTMP designs remain. Last year, CMS performed an extensive analysis and evaluation of MTM programs being offered by Part D sponsors to identify common practices. Medication Therapy Management (MTM) Programs in 2010 will be significantly enhanced compared to previous years. Expanded requirements were put into place for the upcoming contract year that will increase the number of beneficiaries eligible for MTM services, increase the intensity of interventions, and provide for the collection of more outcomes information. Once these common and best practices are implemented, it is expected that Part D MTMP will evolve significantly to help achieve the statutory goal of improving therapeutic outcomes. CMS will continue to monitor Part D MTMPs and will perform more robust analysis of the programs using beneficiary level MTM plan reported data and prescription drug event (PDE) data.

ADDITIONAL RESOURCES

Questions regarding this Fact Sheet may be sent to: partd_mtm@cms.hhs.gov.

MTMP guidance, memos, and Contact list:
www.cms.hhs.gov > Medicare > Prescription Drug Coverage Contracting > Medication Therapy Management

Part D Prescription Drug Benefit Manual:
Chapter 7: Quality Improvement and Medication Therapy Management
www.cms.hhs.gov > Medicare > Prescription Drug Coverage Contracting > Prescription Drug Benefit Manual

Part D Reporting Requirements
www.cms.hhs.gov > Medicare > Prescription Drug Coverage Contracting > Plan Reporting and Oversight